

Agency Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	145.49	(10.50)	1.00	135.99	(10.50)	1.00	135.99	135.99
Personal Services	5,372,423	288,200	49,838	5,710,461	282,839	49,768	5,705,030	11,415,491
Operating Expenses	1,924,622	418,195	11,270	2,354,087	388,958	9,120	2,322,700	4,676,787
Equipment	129,713	(14,850)	0	114,863	43,350	0	173,063	287,926
Total Costs	\$7,426,758	\$691,545	\$61,108	\$8,179,411	\$715,147	\$58,888	\$8,200,793	\$16,380,204
General Fund	521,303	31,011	43,054	595,368	29,095	41,944	592,342	1,187,710
State/Other Special	5,627,536	473,328	0	6,100,864	501,449	0	6,128,985	12,229,849
Federal Special	1,277,919	187,206	18,054	1,483,179	184,603	16,944	1,479,466	2,962,645
Total Funds	\$7,426,758	\$691,545	\$61,108	\$8,179,411	\$715,147	\$58,888	\$8,200,793	\$16,380,204

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Legislative Budget Analysis, C-86

Executive Budget Comparison

The following table compares the legislative budget for the 2007 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2004	Executive Budget Fiscal 2006	Legislative Budget Fiscal 2006	Leg – Exec. Difference Fiscal 2006	Executive Budget Fiscal 2007	Legislative Budget Fiscal 2007	Leg – Exec. Difference Fiscal 2007	Biennium Difference Fiscal 06-07
FTE	145.49	135.99	135.99	0.00	135.99	135.99	0.00	
Personal Services	5,372,423	5,689,161	5,710,461	21,300	5,683,730	5,705,030	21,300	42,600
Operating Expenses	1,924,622	2,321,087	2,354,087	33,000	2,289,700	2,322,700	33,000	66,000
Equipment	129,713	114,863	114,863	0	173,063	173,063	0	0
Total Costs	\$7,426,758	\$8,125,111	\$8,179,411	\$54,300	\$8,146,493	\$8,200,793	\$54,300	\$108,600
General Fund	521,303	570,368	595,368	25,000	567,342	592,342	25,000	50,000
State/Other Special	5,627,536	6,071,564	6,100,864	29,300	6,099,685	6,128,985	29,300	58,600
Federal Special	1,277,919	1,483,179	1,483,179	0	1,479,466	1,479,466	0	0
Total Funds	\$7,426,758	\$8,125,111	\$8,179,411	\$54,300	\$8,146,493	\$8,200,793	\$54,300	\$108,600

For the biennium, the legislative budget is \$108,600 more in total funds than the executive budget. General fund is \$50,000 higher for an increase of 4 percent and state special revenue is \$58,600 higher than the executive proposal over the 2007 biennium. The primary differences between the legislative and executive budgets is due to the following: 1) a contingent line item for an additional meat inspector due to workload increases of \$25,000 general fund each year; and 2) an accounting error in the base year that left out \$28,000 in printing costs each year.

Agency Highlights

Department of Livestock Major Budget Highlights	
♦	The approved budget continues the department's participation in the bison operational cooperative agreement for Brucellosis Management and the Greater Yellowstone Interagency Brucellosis Committee grant
♦	The legislative budget increases general fund and federal special revenue in the Meat and Poultry Inspection Program to add 2.00 FTE meat inspectors, and language to add an additional 1.00 FTE meat inspector if the workload increases.
♦	The legislative budget has eliminated 9.50 FTE across the agency, primarily due to revenue reductions

Funding

The following table shows funding, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2007 Biennium Legislative Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Centralized Services Program	\$ -	\$ 3,122,318	\$ 130,062	\$ 3,252,380	19.86%
03 Diagnostic Laboratory Program	183,822	2,435,073	-	2,618,895	15.99%
04 Animal Health Division	-	976,645	1,795,006	2,771,651	16.92%
05 Milk & Egg Program	-	516,947	83,002	599,949	3.66%
06 Brands Enforcement Division	-	5,165,916	-	5,165,916	31.54%
10 Meat/Poultry Inspection	\$ 1,003,888	\$ 12,950	\$ 954,575	\$ 1,971,413	12.04%
Grand Total	\$ 1,187,710	\$ 12,229,849	\$ 2,962,645	\$ 16,380,204	100.00%

The Department of Livestock is funded by general fund, state special revenue, and federal special revenue.

General fund supports two programs within livestock: 1) the diagnostic lab in Bozeman; and 2) meat/poultry inspections. The diagnostic lab receives general fund for its role in testing for public health and safety related diseases. Funding for meat inspections is a 50-50 match of general fund and federal special revenue.

The livestock per capita account is the largest state special revenue account and funds a multitude of programs. Per capita revenue is generated by taxation on the ownership of livestock and interest earnings on the fund balance. The animal health account also funds a variety of services and derives its revenues from lab testing fees and milk tax inspection.

Sixty-two percent of the federal special revenue comes from the bison operational cooperative agreement for \$660,000 over the biennium, and the Greater Yellowstone Interagency Brucellosis Committee grant for \$237,500 over the biennium. About 30 percent of the funding comes from the USDA in matching funds for meat and poultry inspections.

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	23.28	(3.50)	0.00	19.78	(3.50)	0.00	19.78	19.78
Personal Services	822,944	55,123	0	878,067	54,758	0	877,702	1,755,769
Operating Expenses	697,064	65,832	0	762,896	36,651	0	733,715	1,496,611
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$1,520,008	\$120,955	\$0	\$1,640,963	\$91,409	\$0	\$1,611,417	\$3,252,380
State/Other Special	1,454,977	120,955	0	1,575,932	91,409	0	1,546,386	3,122,318
Federal Special	65,031	0	0	65,031	0	0	65,031	130,062
Total Funds	\$1,520,008	\$120,955	\$0	\$1,640,963	\$91,409	\$0	\$1,611,417	\$3,252,380

Page Reference

Legislative Budget Analysis, C-91

Funding

The Centralized Services Program (CSP) is funded with state and federal special revenue from sources used to support the rest of the department. State special revenue consists of livestock per capita fee and the milk control bureau. The Board of Horse Racing is funded entirely with the Board of Horse Racing state special revenue, about 12 percent of total revenue. Livestock per capita fees fund about 73 percent of total costs and the Milk Control Bureau funds 12 percent. Federal special revenue comes from meat and poultry inspection, about 4 percent of total revenues.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				243,574					243,712	
Vacancy Savings				(42,662)					(42,663)	
Inflation/Deflation				(16,121)					(16,116)	
Fixed Costs				35,590					6,212	
Total Statewide Present Law Adjustments				\$220,381					\$191,145	
DP 1 - Information Technology Departmental Equipment										
	0.00	0	12,730	0	12,730	0.00	0	12,730	0	12,730
DP 2 - FTE Reduction - Centralized Services Division										
	(3.00)	0	(129,839)	0	(129,839)	(3.00)	0	(130,408)	0	(130,408)
DP 104 - Board of Livestock - Per Diem										
	0.00	0	8,550	0	8,550	0.00	0	8,550	0	8,550
DP 105 - Board of Horse Racing - Office Rent										
	(0.50)	0	4,629	0	4,629	(0.50)	0	4,888	0	4,888
DP 106 - Out of State Travel-CSD										
	0.00	0	3,204	0	3,204	0.00	0	3,204	0	3,204
DP 107 - Board of Horse Racing - Per Diem										
	0.00	0	1,300	0	1,300	0.00	0	1,300	0	1,300
Total Other Present Law Adjustments										
	(3.50)	\$0	(\$99,426)	\$0	(\$99,426)	(3.50)	\$0	(\$99,736)	\$0	(\$99,736)
Grand Total All Present Law Adjustments				\$120,955					\$91,409	

DP 1 - Information Technology Departmental Equipment - The legislature approved additional livestock per capita fee authority to replace 10 computers each year of the 2007 biennium. This is in accordance with the department's four-year replacement plan.

DP 2 - FTE Reduction - Centralized Services Division - The legislature approved eliminating 3.00 FTE: attorney, accounting technician, and a programmer/analyst. Livestock per capita fee state special revenue cost savings is \$129,839 in FY 2006 and \$130,408 in FY 2007.

DP 104 - Board of Livestock - Per Diem - The legislature approved additional livestock per capita fee authority each year of the biennium to fund per diem costs for the Board of Livestock.

DP 105 - Board of Horse Racing - Office Rent - The legislature approved approximately \$2,700 over the biennium for a rent increase in office space for the Board of Horse Racing.

DP 106 - Out of State Travel-CSD - The legislature approved an additional \$3,204 state special revenue authority each year of the biennium for out-of-state travel for the executive staff and some Board of Livestock members.

DP 107 - Board of Horse Racing - Per Diem - The legislature approved per diem of \$1,300 each year in the biennium for the Board of Horse Racing. The funding source for this authority is state special revenue.

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	21.00	(0.50)	0.00	20.50	(0.50)	0.00	20.50	20.50
Personal Services	841,232	80,312	0	921,544	78,920	0	920,152	1,841,696
Operating Expenses	358,119	25,044	0	383,163	29,717	0	387,836	770,999
Equipment	66,850	(66,850)	0	0	(60,650)	0	6,200	6,200
Total Costs	\$1,266,201	\$38,506	\$0	\$1,304,707	\$47,987	\$0	\$1,314,188	\$2,618,895
General Fund	91,911	0	0	91,911	0	0	91,911	183,822
State/Other Special	1,174,290	38,506	0	1,212,796	47,987	0	1,222,277	2,435,073
Federal Special	0	0	0	0	0	0	0	0
Total Funds	\$1,266,201	\$38,506	\$0	\$1,304,707	\$47,987	\$0	\$1,314,188	\$2,618,895

Page Reference

Legislative Budget Analysis, C-95

Funding

The diagnostic laboratory program is funded with a mixture of general fund and state special revenue. General fund accounts for 7 percent of total funding and has historically been authorized for public health related testing. State special revenue is about 93 percent of total funding and comes from two primary sources: 1) the animal health account, which receives revenue from lab inspections, testing fees, and the milk tax and accounts for 65 percent of total state special revenue; and 2) the livestock per capita fee, which is derived from a tax upon each head of livestock owned by producers.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					137,760					136,429
Vacancy Savings					(39,159)					(39,106)
Inflation/Deflation					2,401					1,789
Total Statewide Present Law Adjustments					\$101,002					\$99,112
DP 301 - Diagnostic Lab Equipment	0.00	0	(28,350)	0	(28,350)	0.00	0	(22,150)	0	(22,150)
DP 302 - FTE Reduction - Diagnostic Laboratory	(0.50)	0	(18,289)	0	(18,289)	(0.50)	0	(18,403)	0	(18,403)
DP 304 - Lab Recharges - MSU Facilities Management	0.00	0	19,561	0	19,561	0.00	0	24,846	0	24,846
DP 306 - Out of State Travel -Lab	0.00	0	3,082	0	3,082	0.00	0	3,082	0	3,082
DP 307 - Reduction - Milk Lab Equipment	0.00	0	(38,500)	0	(38,500)	0.00	0	(38,500)	0	(38,500)
Total Other Present Law Adjustments										
	(0.50)	\$0	(\$62,496)	\$0	(\$62,496)	(0.50)	\$0	(\$51,125)	\$0	(\$51,125)
Grand Total All Present Law Adjustments					\$38,506					\$47,987

DP 301 - Diagnostic Lab Equipment - The legislature approved a reduction in equipment expenditures of \$28,350 in FY 2006, and approved purchasing a photocopier costing \$6,200 in FY 2007. The net reduction in equipment expenditures in FY 2007 is \$22,150.

DP 302 - FTE Reduction - Diagnostic Laboratory - The legislature approved reducing the administrative support position from full-time to part-time in the diagnostic laboratory. The cost savings associated with this reduction is \$18,829 in FY 2006 and \$18,403 in FY 2007.

DP 304 - Lab Recharges - MSU Facilities Management - The legislature approved additional state special revenue authority for increased facility services recharges from Montana State University (MSU). Funding is from the livestock per capita fund.

DP 306 - Out of State Travel -Lab - The legislature approved an increase in animal health authority of \$3,082 a year in order to allow out-of-state travel for key lab personnel. The amount approved would restore historical averages for out-of-state travel.

DP 307 - Reduction - Milk Lab Equipment - The legislature approved a reduction in equipment expenditures of \$38,500 each year.

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	17.00	(3.00)	0.00	14.00	(3.00)	0.00	14.00	14.00
Personal Services	546,639	80,050	0	626,689	78,931	0	625,570	1,252,259
Operating Expenses	416,083	267,913	0	683,996	267,587	0	683,670	1,367,666
Equipment	62,863	0	0	62,863	26,000	0	88,863	151,726
Total Costs	\$1,025,585	\$347,963	\$0	\$1,373,548	\$372,518	\$0	\$1,398,103	\$2,771,651
State/Other Special	274,981	201,064	0	476,045	225,619	0	500,600	976,645
Federal Special	750,604	146,899	0	897,503	146,899	0	897,503	1,795,006
Total Funds	\$1,025,585	\$347,963	\$0	\$1,373,548	\$372,518	\$0	\$1,398,103	\$2,771,651

Page Reference

Legislative Budget Analysis, C-99

Funding

The Animal Health Division is funded with federal and state special revenue. Federal special revenue comes from the Greater Yellowstone Interagency Brucellosis Committee grant of \$237,503 over the biennium and the bison operational cooperative agreement of \$660,000 over the biennium. State special revenue comes from livestock per capita fund.

Present Law Adjustments

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Present Law Adjustments									
	-----Fiscal 2006-----					-----Fiscal 2007-----			
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				239,941					239,063
Vacancy Savings				(31,465)					(31,427)
Inflation/Deflation				11					22
Total Statewide Present Law Adjustments				\$208,487					\$207,658
DP 401 - Animal Health-Vehicle Replacement-OTO	0.00	0	0	0	0.00	0	26,000	0	26,000
DP 402 - FTE Reduction - Animal Health Division	(2.00)	0	(90,446)	0	(2.00)	0	(90,814)	0	(90,814)
DP 403 - FTE Reduction - Bison Management	(1.00)	0	0	0	(1.00)	0	0	0	0
DP 404 - Out of State Travel- Animal Health	0.00	0	4,005	0	0.00	0	4,005	0	4,005
DP 405 - Bison Management - Federal Funds	0.00	0	0	225,917	0.00	0	0	225,669	225,669
Total Other Present Law Adjustments	(3.00)	\$0	(\$86,441)	\$225,917	(3.00)	\$0	(\$60,809)	\$225,669	\$164,860
Grand Total All Present Law Adjustments				\$347,963					\$372,518

DP 401 - Animal Health-Vehicle Replacement-OTO - The legislature approved state special revenue authority to replace one 4x4 pickup. Funding for this request comes from the livestock per capita fund.

DP 402 - FTE Reduction - Animal Health Division - The legislature approved a reduction of two full-time employees; a veterinarian and an administrative support position. These positions are being eliminated due to the drought and decreased funds in the livestock per capita account. The annual savings from the elimination of these positions is \$90,446 in FY 2006 and \$90,814 in FY 2007.

DP 403 - FTE Reduction - Bison Management - The legislature approved that 1.00 FTE be transferred from Animal Health Investigation to the federally funded Animal Health Bison Management section. This action eliminates a vacant position and maintains the 6.00 FTE authorized in Bison Management program.

DP 404 - Out of State Travel- Animal Health - The legislature approved an increase in state special revenue to allow out-of-state travel for the state veterinarian. This proposal is funded from the livestock per capita fund.

DP 405 - Bison Management - Federal Funds - The legislature approved federal special revenue authority for additional consultants and professional services and equipment.

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00	5.00
Personal Services	237,557	4,738	0	242,295	5,133	0	242,690	484,985
Operating Expenses	33,847	10,635	0	44,482	10,635	0	44,482	88,964
Equipment	0	0	0	0	26,000	0	26,000	26,000
Total Costs	\$271,404	\$15,373	\$0	\$286,777	\$41,768	\$0	\$313,172	\$599,949
State/Other Special	239,199	6,077	0	245,276	32,472	0	271,671	516,947
Federal Special	32,205	9,296	0	41,501	9,296	0	41,501	83,002
Total Funds	\$271,404	\$15,373	\$0	\$286,777	\$41,768	\$0	\$313,172	\$599,949

Page Reference

Legislative Budget Analysis, C-102

Funding

The Milk and Egg program is funded with state special revenue and federal special revenue. The animal health account provides 88 percent of revenue for the Milk and Egg Division. A portion of animal health revenues comes from the tax on all milk producers. The current tax is 13.5 cents per hundred-weight, which is set by the Board of Livestock. In FY 2004 the tax on milk producers was changed from 14.97 cents on Class I milk to 13.5 cents on all classes of milk. Federal special revenues are provided from the U.S. Department of Agriculture to conduct shell egg surveillance.

Present Law Adjustments

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Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				14,834					15,244
Vacancy Savings				(10,096)					(10,111)
Total Statewide Present Law Adjustments				\$4,738					\$5,133
DP 501 - Vehicle Replacement-Milk & Egg Bureau	0.00	0	0	0	0.00	0	26,000	0	26,000
DP 502 - Milk and Egg Bureau - Shell Egg Fed Funds	0.00	0	0	7,500	0.00	0	0	7,500	7,500
DP 503 - Out of State Travel - Milk and Egg Inspection	0.00	0	3,135	3,135	0.00	0	3,135	0	3,135
Total Other Present Law Adjustments	0.00	\$0	\$3,135	\$7,500	0.00	\$0	\$29,135	\$7,500	\$36,635
Grand Total All Present Law Adjustments				\$15,373					\$41,768

DP 501 - Vehicle Replacement-Milk & Egg Bureau - The legislature approved replacement of one pickup truck assigned to a sanitarian in the Milk and Egg Bureau in FY 2007 for \$26,000. Funding is from the animal health fund

DP 502 - Milk and Egg Bureau - Shell Egg Fed Funds - The legislature approved an additional \$7,500 each year in federal special revenue spending authority for increased inspections of poultry and animal welfare.

DP 503 - Out of State Travel - Milk and Egg Inspection - The legislature approved out of state travel for milk and egg sanitarians to attend national conferences so they can maintain certification and receive training to improve their inspection processes and review new regulations that have been adopted. Travel and training costs are estimated at \$3,135 state special revenue each year of the 2007 biennium.

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	61.71	(4.50)	0.00	57.21	(4.50)	0.00	57.21	57.21
Personal Services	2,253,448	24,244	0	2,277,692	21,354	0	2,274,802	4,552,494
Operating Expenses	224,166	30,482	0	254,648	30,608	0	254,774	509,422
Equipment	0	52,000	0	52,000	52,000	0	52,000	104,000
Total Costs	\$2,477,614	\$106,726	\$0	\$2,584,340	\$103,962	\$0	\$2,581,576	\$5,165,916
State/Other Special	2,477,614	106,726	0	2,584,340	103,962	0	2,581,576	5,165,916
Total Funds	\$2,477,614	\$106,726	\$0	\$2,584,340	\$103,962	\$0	\$2,581,576	\$5,165,916

Page Reference

Legislative Budget Analysis, C-105

Funding

The Brands Enforcement Division is entirely funded with state special revenue. Inspections and control funds 75 percent of expenditures and the livestock per capita account funds 25 percent. The inspections and control account receives revenues from livestock licensing, permits fees, state inspections, and brand recordings. At the time of sale, a \$0.50 assessment is charged each to the buyer and seller for livestock inspections. Every ten years a brand recorder fee is charged and each brand is re-recorded. The inspection of livestock and the brand recorder fees account for 85 percent of all revenues in the inspections and control account.

Present Law Adjustments

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Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				178,322					176,062	
Vacancy Savings				(97,272)					(97,180)	
Inflation/Deflation				(561)					(435)	
Total Statewide Present Law Adjustments				\$80,489					\$78,447	
DP 601 - Vehicle Replacement - Brands Division										
	0.00	0	52,000	0	52,000	0.00	0	52,000	0	52,000
DP 602 - FTE Reduction - Brands Enforcement Division										
	(4.50)	0	(151,111)	0	(151,111)	(4.50)	0	(151,833)	0	(151,833)
DP 603 - Out of State Travel - Brands Division										
	0.00	0	3,043	0	3,043	0.00	0	3,043	0	3,043
DP 604 - Overtime - Brands Division										
	0.00	0	94,305	0	94,305	0.00	0	94,305	0	94,305
DP 609 - Printing Costs in Brand Enforcement Division										
	0.00	0	28,000	0	28,000	0.00	0	28,000	0	28,000
Total Other Present Law Adjustments										
	(4.50)	\$0	\$26,237	\$0	\$26,237	(4.50)	\$0	\$25,515	\$0	\$25,515
Grand Total All Present Law Adjustments				\$106,726					\$103,962	

DP 601 - Vehicle Replacement - Brands Division - The legislature approved the replacement of two vehicles each year of the 2007 biennium. These are 4x4 extended cab pickups with a cost of \$26,000 per vehicle, for a total cost each year of \$52,000. Funding is provided entirely from the inspection and control account.

DP 602 - FTE Reduction - Brands Enforcement Division - The legislature approved a reduction of 4.50 FTE in the Brands Enforcement Division. Reduced from the budget are a market bureau chief, a half-time administrative support position, and three brand inspectors. The savings occur in the livestock per capita fee. The cost savings is \$151,111 in FY 2006 and \$151,883 in FY 2007.

DP 603 - Out of State Travel - Brands Division - The legislature approved an increase for out-of-state travel of \$3,043 per year. The requested travel is for attendance at the Livestock Identification Association and the Western States Livestock Investigation. Funding is from livestock per capita account.

DP 604 - Overtime - Brands Division - The legislature approved \$94,305 in state special revenue authority each year in the biennium for overtime. The Brands Enforcement Division experiences an unusual amount of overtime during the fall run when livestock are sold through the markets. This request is funded entirely from the inspection and control account.

DP 609 - Printing Costs in Brand Enforcement Division - The legislature approved \$28,000 each year to restore printing costs due to an accounting error in the base-year. Funding is from the inspection and control fund.

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	17.50	1.00	1.00	19.50	1.00	1.00	19.50	19.50
Personal Services	670,603	43,733	49,838	764,174	43,743	49,768	764,114	1,528,288
Operating Expenses	195,343	18,289	11,270	224,902	13,760	9,120	218,223	443,125
Total Costs	\$865,946	\$62,022	\$61,108	\$989,076	\$57,503	\$58,888	\$982,337	\$1,971,413
General Fund	429,392	31,011	43,054	503,457	29,095	41,944	500,431	1,003,888
State/Other Special	6,475	0	0	6,475	0	0	6,475	12,950
Federal Special	430,079	31,011	18,054	479,144	28,408	16,944	475,431	954,575
Total Funds	\$865,946	\$62,022	\$61,108	\$989,076	\$57,503	\$58,888	\$982,337	\$1,971,413

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Funding

The majority of meat and poultry inspection program funding is split evenly between federal funds and general fund. Per cooperative agreement with the United States Department of Agriculture (USDA), state special revenue funds cannot be used when they are derived through a fee on the producers being inspected by the program. Since state special revenues are generated from fees on those producers being inspected, the state match is provided by the general fund. A small portion of the funding is state special revenue derived from annual meat establishment license fees.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				42,417					42,498
Vacancy Savings				(28,522)					(28,523)
Inflation/Deflation				(10,141)					(9,750)
Total Statewide Present Law Adjustments				\$3,754					\$4,225
DP 103 - Field Automation Information Management (FAIM)-OTO	0.00	11,080	0	11,080	0.00	9,695	0	9,695	19,390
DP 111 - Provide Meat Inspectors for Eastern Montana	1.00	18,054	0	18,054	1.00	16,944	0	16,944	33,888
Total Other Present Law Adjustments	1.00	\$29,134	\$0	\$29,134	1.00	\$26,639	\$0	\$26,639	\$53,278
Grand Total All Present Law Adjustments				\$62,022					\$57,503

DP 103 - Field Automation Information Management (FAIM)-OTO - The legislature approved replacement of 8 field automation and information management (FAIM) computers in FY 2006 and 7 in FY 2007. The costs are funded 50 percent federal funds and 50 percent general fund.

DP 111 - Provide Meat Inspectors for Eastern Montana - The legislature approved adding 1.00 FTE meat inspector for the Eastern Montana region. The position is funded 50 percent meat/poultry inspection funds and 50 percent general fund.

New Proposals

New Proposals											
-----Fiscal 2006-----						-----Fiscal 2007-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 101 - Add 1.0 FTE Meat Inspector											
10	1.00	18,054		0	18,054	36,108	1.00	16,944	0	16,944	33,888
DP 620 - Additional Meat Inspector											
10	0.00	25,000		0	0	25,000	0.00	25,000	0	0	25,000
Total	1.00	\$43,054		\$0	\$18,054	\$61,108	1.00	\$41,944	\$0	\$16,944	\$58,888

DP 101 - Add 1.0 FTE Meat Inspector - The legislature approved adding 1.00 FTE meat inspector for the Eastern Montana region. The position is funded 50 percent meat/poultry inspection funds and 50 percent general fund

DP 620 - Additional Meat Inspector - The legislature approved a \$50,000 biennial line item of general fund to be used to meet the federal match requirement for the employment of an additional meat inspector during the 2007 biennium, if workload increases.

Language

The legislature approved the following language for inclusion in HB2:

"An additional meat inspector may be used only if approved by the director of the office of budget and program planning for additional FTE because of workload increases."